

Designation Run Report

# M Hartman Plaintiff Submission

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Hartman, Mark 11-15-2018

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Plaintiffs AffirmativeDesignations 00:30:49

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## MK01-M Hartman Plaintiff Submission

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10:14 - 10:15	<b>Hartman, Mark 11-15-2018 (00:00:03)</b> 10:14 The 10:15 deponent is Mark Hartman.	MK01.1
16:5 - 16:8	<b>Hartman, Mark 11-15-2018 (00:00:08)</b> 16:5 Q. Okay. And you worked for Cardinal 16:6 for over a decade; is that right? 16:7 A. Yes. 16:8 Q. Okay. Let's pull up P13900.	MK01.2
16:18 - 16:19	<b>Hartman, Mark 11-15-2018 (00:00:02)</b> 16:18 This will be marked Plaintiff's 16:19 Number 1 or -- yeah, however y'all label	MK01.33
18:21 - 18:22	<b>Hartman, Mark 11-15-2018 (00:00:02)</b> 18:21 And if you will, read the first 18:22 sentence for us.	MK01.3
19:1 - 19:5	<b>Hartman, Mark 11-15-2018 (00:00:09)</b> 19:1 A. "We are pleased to announce the 19:2 appointment of Mark Hartman to the position of 19:3 Senior Vice President, Supply Chain Integrity 19:4 and Regulatory Operations for HSCS reporting to 19:5 both of us."	MK01.4
20:22 - 21:3	<b>Hartman, Mark 11-15-2018 (00:00:11)</b> 20:22 Q. Let's continue. Read the next 20:23 sentence for us. 20:24 A. "This position is a critical role 21:1 for the company as supply chain integrity 21:2 continues to become an area of increased focus 21:3 by regulatory agencies and customers alike."	MK01.5
22:14 - 23:10	<b>Hartman, Mark 11-15-2018 (00:00:35)</b> 22:14 Q. Okay. Continue reading, 22:15 "Reporting to Mark ..." 22:16 A. "... will be Steve Reardon, Vice 22:17 President, Quality and Regulatory Affairs for 22:18 HSCS, and Michael Moni, Vice President of 22:19 Anti-Diversion." 22:20 Q. So if we're looking at the 22:21 hierarchy now, when you come into this 22:22 position -- and this is a new position for you, 22:23 correct? 22:24 A. Yes. 23:1 Q. Had you worked in regulatory	MK01.6

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	23:2 before?	
	23:3 A. No.	
	23:4 Q. You're taking over both the QRA,	
	23:5 quality regulatory affairs, and the	
	23:6 anti-diversion segment, correct?	
	23:7 A. Correct.	
	23:8 Q. And you have Mr. Reardon and	
	23:9 Mr. Moni reporting to you?	
	23:10 A. Yes.	
90:9 - 90:12	<b>Hartman, Mark 11-15-2018 (00:00:14)</b>	<b>MK01.35</b>
	90:9 Q. And when you came in to Cardinal	
	90:10 after being there over a decade, you knew that	
	90:11 the regulatory department was understaffed and	
	90:12 underfunded, didn't you?	
90:14 - 90:21	<b>Hartman, Mark 11-15-2018 (00:00:23)</b>	<b>MK01.36</b>
	90:14 A. I don't recall how I felt about	
	90:15 it. You know, we operated with them in our --	
	90:16 in our space, they gave us good advice and	
	90:17 counsel, and it was a department that I would --	
	90:18 I've certainly worked with from time to time,	
	90:19 but I don't recall any specific instances of	
	90:20 what we were doing there -- I -- and any issues	
	90:21 that we had.	
126:17 - 126:22	<b>Hartman, Mark 11-15-2018 (00:00:19)</b>	<b>MK01.39</b>
	126:17 Q. when you	
	126:18 were filling this regulatory role and when --	
	126:19 the little look back you did, you're aware that	
	126:20 there were budgetary battles, correct, with	
	126:21 trying to secure sufficient resources for the	
	126:22 regulatory department, right?	
126:24 - 128:16	<b>Hartman, Mark 11-15-2018 (00:01:59)</b>	<b>MK01.10</b>
	126:24 A. Boy, there were -- there's always	
	127:1 budgetary battles.	
	127:2 Q. Particularly with regulatory,	
	127:3 right?	
	127:4 A. That -- I don't know that. I	
	127:5 wasn't in role. I was in a -- in corporate	
	127:6 functions. So I -- I didn't spend time there.	
	127:7 That could be true.	
	127:8 Q. So did you ever hear of budgetary	

127:9 battles going on with regulatory and them not  
 127:10 getting what they believe the resources they  
 127:11 needed to do their job with anti-diversion?

127:12 A. In my time period, I not only got  
 127:13 everything I wanted, I had the support of the  
 127:14 CEO on that.

127:15 Q. What about outside your time  
 127:16 period? Are you aware of budgetary battles and  
 127:17 regulatory not getting what they needed to do  
 127:18 their job?

127:19 A. I was not aware of regulatory. I  
 127:20 was certainly aware of --

127:21 Q. What were you aware of?

127:22 A. Well, I was on the corporate  
 127:23 functions. It's a corporate -- it's a  
 127:24 corporate -- budget battles happen all the time.

128:1 Q. I want to know with QRA --

128:2 A. I was not knowledgeable of that.

128:3 Q. -- or supply chain integrity, if  
 128:4 you were ever made aware of budget battles  
 128:5 occurring before, after, at any time?

128:6 A. Any time? Yes. After I left  
 128:7 Cardinal, Michael had communicated with me.

128:8 Q. That's Mr. Moni, correct?

128:9 A. Yes, Michael Moni. Had  
 128:10 communicated with me that they were at budget  
 128:11 time. I was not at Cardinal. And I responded  
 128:12 to him, basically to "Stay tough. Stick with  
 128:13 it."

128:14 Q. Because it's a budgetary battle?

128:15 A. Budgetary battle.

128:16 Q. Let's look at that. It's 3904.

128:21 - 133:23

**Hartman, Mark 11-15-2018 (00:04:31)**

**MK01.38**

128:21 Q. And who was the -- you said the  
 128:22 CEO even approved your budgets. Who were you  
 128:23 referring to? Or you had the support.

128:24 A. When I went into role, the -- one  
 129:1 of the meetings I had prior to taking the role  
 129:2 was with Kerry Clark, and we talked about the  
 129:3 role, and I talked about the fact that I would

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129:4 need his support before I accepted the role.

129:5 Q. Right.

129:6 A. I would need his support to get

129:7 whatever I needed to do whatever I needed to do.

129:8 Q. Because from the information that

129:9 you already knew, you knew it was going to

129:10 require additional resources and additional

129:11 staff to be able to do the job the way you

129:12 wanted it to be done, correct?

129:13 A. For my time period, that's

129:14 correct.

129:15 Q. Okay. So let's look at --

129:16 MR. FULLER: Is this Number 7?

129:17 MS. QUEZON: Yes.

129:18 BY MR. FULLER:

129:19 Q. All right. So let's look at

129:20 Exhibit Number 7. It's 3904 in the upper right;

129:21 is that correct, Mr. Hartman?

129:22 A. Yes.

129:23 Q. Okay. And this is that e-mail

129:24 between you and Mr. Moni, isn't it?

130:1 A. Correct.

130:2 Q. And it was sent back and forth

130:3 between your personal accounts. That's not your

130:4 Cardinal e-mail account, is it?

130:5 A. Correct.

130:6 Q. And Mr. Moni, what's his e-mail

130:7 address there?

130:8 A. J-a-t-r-o --

130:9 Q. I think it's a G.

130:10 A. I'm sorry.

130:11 G-a-t-o-r-x-j-d1210@msn.com.

130:12 Q. Is he a Gator fan?

130:13 A. He is a big Gator fan.

130:14 Q. Well, me and him may get along

130:15 because I went to the University of Florida.

130:16 A. I hope you do. He's a good guy.

130:17 Q. Good. It seems like you guys got

130:18 along even outside of work; is that right?

130:19 A. Oh, yes.

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130:20 Q. And is he still with the company?

130:21 A. Yes.

130:22 Q. And what is his position

130:23 currently, if you know?

130:24 A. I don't know the title. I believe

131:1 he's in regulatory, the regulatory office.

131:2 Q. Okay. And this is sent to you

131:3 shortly after you leave; isn't that true?

131:4 A. May 26, 2010. I had been gone

131:5 about a quarter.

131:6 Q. So -- because you left in

131:7 February --

131:8 A. Yes.

131:9 Q. -- right?

131:10 So March, April, and then May?

131:11 A. Yes.

131:12 Q. Okay. And so we lay the

131:13 groundwork here, the budgetary time frame runs

131:14 from July 1 to June 30, correct?

131:15 A. Yes.

131:16 Q. That's the fiscal year?

131:17 A. That's the fiscal year, yes. At

131:18 that time, it was. I suppose it still is.

131:19 Q. Sure.

131:20 And the budgetary process,

131:21 therefore, takes part in probably the first and

131:22 second quarter of the year, right?

131:23 A. Yeah. Budgetary -- yeah, they go

131:24 all year long.

132:1 Q. I can imagine so. I can imagine

132:2 so.

132:3 All right. So let's take a look

132:4 at this. Mr. Hartman says, "Hey, Mark" -- or

132:5 excuse me. Mr. Moni says, "Hey Mark." And then

132:6 read the second sentence there.

132:7 A. "We lost in the budget defense big

132:8 time and Giacomini is mounting an attack on QRA

132:9 and we don't seem to have a strategy or at least

132:10 we are not being kept informed."

132:11 Q. Who is Giacomini? Tell the jury

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132:12 who Giacomini is.

132:13 A. John, I believe at that time, was

132:14 the president of the pharma division at

132:15 Cardinal.

132:16 Q. And I'll represent to you that

132:17 documents are a little unclear, but it indicates

132:18 from 2008 to sometime in 2010 he was executive

132:19 vice president of operations.

132:20 A. Yes.

132:21 Q. And then in 2010, he became

132:22 president of U.S. pharmaceutical.

132:23 Does that seem to coincide with

132:24 your recollection?

133:1 A. When in 2010 did he --

133:2 Q. That's the part that's unclear.

133:3 I'm not sure.

133:4 A. Yeah, so I'm not sure what role

133:5 John was in here. But to your point, I do

133:6 recall he was executive vice president of

133:7 operations later on somewhere in 2010 time

133:8 frame.

133:9 Q. Right. So he's either executive

133:10 VP of ops or he was president of pharmaceutical,

133:11 right?

133:12 A. Yeah.

133:13 Q. Fair enough.

133:14 And he apparently -- or at least

133:15 according to Mo- -- and did you actually speak

133:16 to Mr. Moni about this?

133:17 A. I don't recall any live

133:18 conversations. I think --

133:19 Q. Just the e-mail?

133:20 A. Just the e-mail.

133:21 Q. And he indicates that "We lost the

133:22 budget defense big time." Which indicates his

133:23 budget got cut, right?

134:1 - 140:18

**Hartman, Mark 11-15-2018 (00:06:19)**

MK01.11

134:1 A. Yes. So --

134:2 Q. They cut his budget.

134:3 A. -- I think you have to put it in

134:4 context of "big time." What Michael was  
134:5 fighting for, as you'll see in a later e-mail,  
134:6 was one position that they were fighting for,  
134:7 which was an administrative position. And the  
134:8 argument was, I believe at the time -- again, my  
134:9 recollection is that the system was now doing  
134:10 that work and they would use that head count,  
134:11 that person, in another role someplace else.  
134:12 Q. And he goes on to say, that  
134:13 "Giacomin is mounting an attack on QRA."  
134:14 A. Yes.  
134:15 Q. I mean, the guy in operations --  
134:16 A. Right.  
134:17 Q. -- right?  
134:18 And you had a little bit of a  
134:19 concern about reporting to people in operations  
134:20 at one time, too, didn't you?  
134:21 A. Well, I made sure, based on my  
134:22 role, that I stayed independent from anybody  
134:23 else to influence me.  
134:24 Q. Particularly operations, because  
135:1 what are they going to want to do? Just what  
135:2 they did here --  
135:3 A. Well, they didn't --  
135:4 Q. -- is attack?  
135:5 A. I think in the later e-mail you'll  
135:6 find that didn't happen.  
135:7 Q. We'll see. We'll see. Let's keep  
135:8 going.  
135:9 A. You have all my documents, right?  
135:10 Q. I -- we have them all. Your  
135:11 counsel has them all, right?  
135:12 A. Yes. Everything I -- I gave him  
135:13 everything that I have.  
135:14 Q. Okay.  
135:15 A. So -- and later on he addresses  
135:16 that he kept the head count. And that was the  
135:17 whole commentary there about this.  
135:18 Q. Let's keep going.  
135:19 "Giacomin is mounting an attack on



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135:20 QRA. We don't have a strategy or at least we  
135:21 are not being kept informed. And it's because  
135:22 we have no presence on the fourth."

135:23 What's "the fourth"? Tell the  
135:24 jury what "the fourth" is.

136:1 A. The fourth -- the fourth floor was  
136:2 where the leadership team for pharma was  
136:3 officed. I was there. In my tenure, I moved us  
136:4 off of the fourth to the third floor where the  
136:5 regulatory group had been. So they remained --  
136:6 evidently they remained on the third floor. So  
136:7 when he says "on the fourth floor," he's talking  
136:8 about physical proximity, I believe.

136:9 Q. Right. To decision-makers?

136:10 A. I suppose.

136:11 Q. And it's the lack of visibility,  
136:12 just what you mentioned, down on the third --  
136:13 listen. Maybe you've forgotten.

136:14 A. You're in the -- you're in the  
136:15 budget battle -- you know, got to have what you  
136:16 need, and we had gotten everything we needed.  
136:17 And he was fighting for one head count. To him,  
136:18 that was big. We had talked about it before I  
136:19 left. You know, keep that position.

136:20 Q. And this is Moni. So this is the  
136:21 QRA side, right, quality regulatory affairs?

136:22 A. Well, and he was specifically the  
136:23 anti-diversion side.

136:24 Q. The anti-diversion?

137:1 A. Yes.

137:2 Q. And how many people did he  
137:3 actually have?

137:4 A. At that time, I don't know, but --  
137:5 I'd have to see his org chart. I mean, when we  
137:6 built it out, we had six, seven, eight in his  
137:7 group, between the pharmacists --

137:8 Q. Right.

137:9 A. -- the investigators and the  
137:10 administrative staff that supported that whole  
137:11 group on his side.

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137:12 Q. Sure.

137:13 A. And then there was Steve Reardon's  
137:14 side.

137:15 Q. Which is -- what do you call that  
137:16 side?

137:17 A. He was -- he was regulatory  
137:18 affairs.

137:19 Q. Regulatory affairs.

137:20 So on Moni's side, if you take  
137:21 away one of seven, that's a pretty big cut.  
137:22 Greater than 10 percent at least, right?

137:23 A. Well, just for perspective, what  
137:24 we had talked about is that our systems had  
138:1 begun to do lots of the administrative work as  
138:2 opposed to human beings. So in my view, as you  
138:3 can -- I think you can see through my e-mail,  
138:4 you know, it's a budget battle. You could lose,  
138:5 but stay after it. Don't lose it. Which he  
138:6 didn't.

138:7 Q. Well, you're telling him, "Keep up  
138:8 the good fight."

138:9 A. Which he didn't. And he retained  
138:10 his positions, and he retained what he needed.

138:11 Q. So we'll talk about that. But you  
138:12 also are aware that prior to your taking this  
138:13 position, there are also budget battles and  
138:14 deficiencies in what the regulatory department  
138:15 had as well, aren't you?

138:16 A. When you said -- before my time, I  
138:17 was not intimately involved with regulatory  
138:18 affairs, so I -- I'm not aware of the budget  
138:19 battles, if you will, that they had. I wasn't  
138:20 aware. I wasn't with them. I didn't  
138:21 participate in their parts of the meetings where  
138:22 we'd go through the budget, you know, the budget  
138:23 needs, the budget requirements, the things we  
138:24 were going to do for the next year.

139:1 Q. Let me ask, when you came into the  
139:2 department, clearly needed to make changes,  
139:3 didn't you?

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139:4 A. Again, when I was just coming into  
139:5 the department, I didn't understand what was  
139:6 happening. I didn't know much about it.  
139:7 Q. But didn't you already know that  
139:8 you needed more resources?  
139:9 A. But I -- well, when I talked to  
139:10 Kerry, that's exactly what any good executive  
139:11 would do. The first thing they do is --  
139:12 Q. Absolutely.  
139:13 A. -- ask for the money, ask for the  
139:14 support, and that's what I got during my time  
139:15 frame.  
139:16 Q. And you weren't going to do it to  
139:17 be wasteful, were you?  
139:18 A. You don't do that.  
139:19 Q. Fair enough.  
139:20 Keep reading on -- "after the lack  
139:21 of visibility." What does Mr. Moni says -- say?  
139:22 A. "We are about to find out that  
139:23 some of our recent unpopular decisions were  
139:24 correct, though the yelling continues. Issues  
140:1 at borschow have created another firestorm on  
140:2 the price diversion side."  
140:3 Q. It says "our unpopular decisions  
140:4 were correct." Do you know what he's referring  
140:5 to?  
140:6 A. I have -- I have no knowledge what  
140:7 he's referring to. I can surmise that. In our  
140:8 role as an anti-diversion, we made plenty of  
140:9 calls, and we certainly discussed it. And the  
140:10 calls that we made were debated, at the end of  
140:11 the day. What Michael said we were going to do,  
140:12 and I supported, or if I was going to be the  
140:13 decision-maker on it, which a few of them I  
140:14 was -- I don't recall which ones -- we called  
140:15 the shot.  
140:16 Q. And it was the unpopular call  
140:17 related to anti-diversion in not shipping  
140:18 controlled substances, right?

140:21 - 142:5

**Hartman, Mark 11-15-2018 (00:01:19)**

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140:21 Q. Those were the tough calls?

140:22 A. Well, the tough calls are anytime

140:23 you have a -- certainly anytime you have a

140:24 customer and they hit a threshold and then

141:1 you're making -- doing the review around, is

141:2 that a suspicious order, what other information

141:3 is there? And do -- and then does it -- do we

141:4 need to deem it a suspicious order? They're all

141:5 tough calls.

141:6 Q. Absolutely. And that was y'all's

141:7 obligation -- I say y'all, regulatory's

141:8 obligation was to make those tough decisions,

141:9 those unpopular-by-everybody-else decisions,

141:10 correct?

141:11 A. And we did.

141:12 Q. And that's why you wanted to work

141:13 out from underneath operations or anybody else

141:14 who you mentioned may have influence upon you,

141:15 correct?

141:16 A. That's correct.

141:17 Q. Because you didn't want that to

141:18 happen because you saw and you know that it

141:19 wouldn't be the best way to run the regulatory

141:20 department; isn't that true?

141:21 A. Being separate, have a completely

141:22 independent voice around what actions we took

141:23 was how I saw to get the job done, and during my

141:24 time frame, that's what we did.

142:1 Q. And when you came into the

142:2 department and made those changes, that's not

142:3 the way it was being done. It was oversaw by

142:4 those who didn't like unpopular decisions,

142:5 correct?

142:7 - 145:4

**Hartman, Mark 11-15-2018 (00:02:41)**

MK01.13

142:7 A. You know, I don't know where the

142:8 reporting structure was. Again, I was heads

142:9 down in a corporate function and some pretty big

142:10 things we had going on. I was not operating in

142:11 the division at that time. So I -- you know,

142:12 Steve Reardon will certainly be able to respond

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142:13 to those questions as to where we were, what we  
142:14 were doing.

142:15 Q. Now, let's go up to your response.

142:16 A. Okay.

142:17 Q. You say, "Wow, an accident" --

142:18 now, we didn't read the part where Mr. Moni got  
142:19 into a car accident, right?

142:20 A. Don't want to read that?

142:21 Q. No, no.

142:22 A. That's --

142:23 Q. That's important?

142:24 A. Well, he takes care of people  
143:1 there.

143:2 Q. I understand. I understand.

143:3 And then you mentioned the budget

143:4 battle that we've already talked about, right?

143:5 That's what you called it?

143:6 A. Oh, yeah. Well, there isn't --

143:7 there isn't a -- if you want to define it any

143:8 different way, any discussion you have around

143:9 budgets are always battles around what you need

143:10 and then what you want. And what you try to

143:11 decipher as a corporation is, the needs, what

143:12 are the needs to help our business and to move

143:13 it forward, support our customers?

143:14 The wants oftentimes get layered

143:15 in there, and they're difficult to discern. You

143:16 know, big companies, big budgets. And so I

143:17 always refer to it as the budget battles.

143:18 Q. And it clearly was to Mr. Moni.

143:19 Read what you go on to say.

143:20 A. "You know there is a likelihood

143:21 you will not get the head count backfill."

143:22 Q. Keep going.

143:23 A. "I would not cave on that, but

143:24 privately prepare for the worst."

144:1 Q. Finish out.

144:2 A. "I'll certainly see if I can get

144:3 those guys a note to support you and thusly

144:4 Shirlene."

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144:5 Q. And Shirlene is Ms. Justus, right?

144:6 A. Yes.

144:7 Q. Okay. And she actually came to

144:8 that division or that department with you when

144:9 you took on that role?

144:10 A. That's right.

144:11 Q. And she had been working with you

144:12 previously in your other roles at Cardinal?

144:13 A. Correct.

144:14 Q. And is she still there, as far as

144:15 you know?

144:16 A. As far as I know.

144:17 Q. Okay. And it sounds like -- it

144:18 next goes on to say, "It sounds like the

144:19 situation is unfolding a bit like we projected."

144:20 Right?

144:21 A. That's what I said.

144:22 Q. Continue reading for us.

144:23 A. "It's a shame if the department is

144:24 relegated to less-than-needed authority or

145:1 investment. It will haunt the organization at

145:2 some point."

145:3 Q. Now, let me stop you there. Is

145:4 this the haunting you're referring to?

145:7 - 145:15 **Hartman, Mark 11-15-2018 (00:00:16)**

**MK01.14**

145:7 Q. The haunting you're referring to.

145:8 These bad decisions related to regulatory and

145:9 these lawsuits that have now been brought upon

145:10 the company for creating this epidemic. Is that

145:11 the haunting you're referring to?

145:12 A. No, that's not what I'm referring

145:13 to.

145:14 Q. What haunting are you referring

145:15 to?

145:19 - 146:19 **Hartman, Mark 11-15-2018 (00:01:14)**

**MK01.15**

145:19 A. I'm talking about the fact that

145:20 the haunting is taking away from the

145:21 organization a head count that we felt we needed

145:22 badly. Didn't want. We felt we needed. Other

145:23 people in the organization could think it's a

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	<p>145:24 want or a need that we -- excuse me. A want</p> <p>146:1 that we were just putting forward.</p> <p>146:2 We're saying here the haunting</p> <p>146:3 part of this is to lose that head count. So --</p> <p>146:4 and if any -- and, of course, it should say -- I</p> <p>146:5 wrote that, authority or investment. The whole</p> <p>146:6 point is, while I was there, I had everything</p> <p>146:7 that I wanted, and the investment was behind me.</p> <p>146:8 And that was -- what I didn't want Michael to</p> <p>146:9 lose was that position of investment that he</p> <p>146:10 felt he needed.</p> <p>146:11 Q. From others in the organization,</p> <p>146:12 right?</p> <p>146:13 A. Sure, yes.</p> <p>146:14 Q. And now he feels like Giacomini is</p> <p>146:15 attacking him, and the haunting that's coming,</p> <p>146:16 you're right, is the lack of support, the lack</p> <p>146:17 of investment. And the result is what we see</p> <p>146:18 here today, an opioid epidemic going on in our</p> <p>146:19 country; isn't that true?</p>	
146:21 - 147:2	<b>Hartman, Mark 11-15-2018 (00:00:14)</b>	<b>MK01.16</b>
	<p>146:21 A. That was not my inference here.</p> <p>146:22 My inference was around the budget and what</p> <p>146:23 Michael needed in order to do the job for</p> <p>146:24 Cardinal Health. And if you know from further</p> <p>147:1 e-mails, he retained his position, and budget</p> <p>147:2 was good.</p>	
149:22 - 155:6	<b>Hartman, Mark 11-15-2018 (00:05:14)</b>	<b>MK01.17</b>
	<p>149:22 Q. Mr. Hartman, as you can see, this</p> <p>149:23 is an Operation 1 Cardinal Health quality</p> <p>149:24 management meeting document, correct?</p> <p>150:1 A. Yes.</p> <p>150:2 Q. And it's dated January 13, 14 of</p> <p>150:3 2005; is that right?</p> <p>150:4 A. Yes.</p> <p>150:5 Q. Okay. This would have been when</p> <p>150:6 you were with the company, just not in</p> <p>150:7 regulatory; is that fair?</p> <p>150:8 A. Yes.</p> <p>150:9 Q. So if you turn all the way back to</p>	

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150:10 page 64. We want to take a quick look at just a  
150:11 couple things related to the regulatory  
150:12 department at the time.

150:13 During that time it was still

150:14 called QRA or quality regulatory affairs; is  
150:15 that correct?

150:16 A. I agree with that. I -- probably.

150:17 Q. Okay. It says here the QRA model.

150:18 Do you see that?

150:19 A. Where -- are you on the top side

150:20 or --

150:21 Q. Yes, sir. If you look on the

150:22 screen, because those printouts are hard to  
150:23 read.

150:24 A. Yeah.

151:1 Q. The screen in front of you may  
151:2 help.

151:3 A. Oh. Gotcha.

151:4 Q. She blows it up so our eyesights  
151:5 can work.

151:6 So, Mr. Hartman, this indicates,  
151:7 on page 64 here, that it's internal client  
151:8 perspective of QRA; is that right?

151:9 A. Yes.

151:10 Q. Okay. And it says, "The QRA  
151:11 model." Read the first bullet point to us.

151:12 A. "Quality is not a mindset at  
151:13 Cardinal Health. We are not proactive. This is  
151:14 not a high enough priority today."

151:15 Q. Then it goes on to say, "When  
151:16 financials are tight, quality suffers," doesn't  
151:17 it?

151:18 A. It says that.

151:19 Q. Now, during this time, you weren't  
151:20 in this department; is that fair?

151:21 A. That's correct.

151:22 Q. Now, do you know from your  
151:23 experience in the department that having a  
151:24 regulatory mindset, having a compliance mindset,  
152:1 is very important to the operations of the



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152:2 business, isn't it?

152:3 A. Yes.

152:4 Q. Having sufficient resources so

152:5 that people can do their jobs is also

152:6 detrimental for the compliance department, isn't

152:7 it?

152:8 A. It's important to have the right

152:9 resources to do the regulatory job.

152:10 Q. And not just the right resources

152:11 and number of people, but also the right

152:12 support, like you said? You specifically went

152:13 to Clark and got his assurance that he would

152:14 back you on what you needed to be able to do the

152:15 job the way you saw fit, didn't you?

152:16 A. I did that.

152:17 Q. If we go on, it says "Need to

152:18 understand" -- or excuse me. "Corporate quality

152:19 organization - not sure what their role should

152:20 be."

152:21 And our screen went blank. There

152:22 we go. Let's try that again.

152:23 The next line, Mr. Hartman, reads,

152:24 "Corporate quality organization - not sure what

153:1 the role should be."

153:2 Corporate quality should have an

153:3 absolute laser beam on what their role should be

153:4 in the organization, shouldn't they? They've

153:5 got to know what their focus is to be able to do

153:6 their jobs?

153:7 A. In 2005, I -- again, we were -- we

153:8 were organizing ourselves differently. I don't

153:9 know what this document is, so I'd need to take

153:10 some time on it so that I could -- I won't be

153:11 able to answer your question because I -- that

153:12 might be the new organization of a department.

153:13 Q. And that's fair. But you would

153:14 agree, would you not, that corporate quality

153:15 should know what their role is?

153:16 A. Corporate quality should know what

153:17 their role is given a new department has time to

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153:18 establish what they're about and the resources

153:19 that they have and how it was reorganized

153:20 potentially.

153:21 Q. Absolutely.

153:22 Then it says, "Need to understand

153:23 roles and what will be at Business or Segment

153:24 level."

154:1 Do you see that? Do you see that

154:2 there? Did I read it correctly?

154:3 A. Yeah, yeah, I see it.

154:4 Q. Okay. And then, "Corporate

154:5 Centers of Excellence would be of value."

154:6 You would agree with that,

154:7 wouldn't you?

154:8 A. Yes.

154:9 Q. And then, "Would like to see

154:10 stronger regulatory affairs" --

154:11 A. Let me come back on that.

154:12 Corporate Centers of Excellence. Okay. If I'm

154:13 going to respond to this, I need to look at this

154:14 document. I think I'm aware of the time period

154:15 we're talking about. And that time period would

154:16 be the genesis of responses that I can give you

154:17 as opposed to looking at one segment on here.

154:18 Can I do that?

154:19 Q. Well, here's the thing. Your

154:20 counsel wants to finish by 12:30 to take a lunch

154:21 break, and that's fine, but I want to finish

154:22 with this document. And I have a limited amount

154:23 of time.

154:24 A. Yes.

155:1 Q. And I'm not going to waste my

155:2 seven hours that we have letting you go through

155:3 a big old document that somebody hadn't bothered

155:4 to show you before.

155:5 A. I -- can I just take a minute?

155:6 Q. Absolutely.

155:15 - 156:4

**Hartman, Mark 11-15-2018 (00:00:31)**

**MK01.18**

155:15 A. Yeah.

155:16 Q. You were the one that said you

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155:17 wanted to take a look at it, Mr. Hartman. Go  
155:18 ahead.

155:19 A. I'm vaguely in the time frame. I

155:20 wasn't in quality. I'll take your questions.

155:21 Q. Okay. So the next section is

155:22 "People."

155:23 Do you see that there?

155:24 A. Yes.

156:1 Q. And read the first bullet point.

156:2 A. "Under-resourced today."

156:3 Q. Not enough people, not enough

156:4 resources. That's what it's saying, correct?

156:6 - 157:6

**Hartman, Mark 11-15-2018 (00:01:11)**

MK01.19

156:6 A. Yeah. This is a document in

156:7 response to the reorganization at Cardinal, and

156:8 I oversaw and was a part of watching all of

156:9 these departments. It's a big, big

156:10 transformation. Big. Lots of involvement.

156:11 Huge changes. I'll just tell you that I didn't

156:12 have a function that didn't come in with

156:13 anything different than this kind of lineup of

156:14 under-resourced or underfunded or needs money.

156:15 Q. Okay. We'll -- and we'll deal

156:16 with that.

156:17 A. And everybody had -- and that gets

156:18 back to the budget battle comment where I talked

156:19 to you about wants -- or needs versus wants.

156:20 And what we found in all of this, as we moved

156:21 forward to reorganize and make ourselves more

156:22 efficient, there were a tremendous number of

156:23 wants. What we had to get at were the needs,

156:24 and I don't know how this resulted.

157:1 Q. We'll see. And here's the thing,

157:2 Mr. Hartman, because Cardinal's entrusted with

157:3 dealing with what has been labeled and

157:4 legislatively enacted as dangerous drugs.

157:5 You're aware of that, right?

157:6 Control IIs are --

157:8 - 157:17

**Hartman, Mark 11-15-2018 (00:00:20)**

MK01.20

157:8 Q. -- by definition dangerous drugs.

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157:9 You're aware of that, correct?

157:10 A. Yes.

157:11 Q. This is not a place to skimp. You

157:12 would agree with that? Regulatory needs to be

157:13 beefed up so they can do the job they need to do

157:14 in compliance with the regulations we talked

157:15 about earlier.

157:16 We can both agree on that as well,

157:17 correct?

157:19 - 160:17

**Hartman, Mark 11-15-2018 (00:02:44)**

**MK01.21**

157:19 A. Well, the only -- the only thing I

157:20 agree with is this is a document that came out

157:21 in a major transformation from one of the

157:22 functions about, we need more money, we need

157:23 more resources. And the way to do that is to

157:24 highlight things like you're seeing right here,

158:1 and I saw that in every single department that

158:2 came forward.

158:3 Q. Fair enough.

158:4 A. And it doesn't mean that they were

158:5 underfunded or they were under-resourced. That

158:6 does not say that here, when you get to the

158:7 corporate level of looking at the functions.

158:8 Q. Hold on. So you're the doc --

158:9 saying this document doesn't say they're not

158:10 under-resourced?

158:11 A. No. I'm saying that what's said

158:12 here is not necessarily a corporate position or

158:13 where we were at on quality as to how Cardinal

158:14 saw it. This is what the department is saying.

158:15 Q. Exactly. Exactly, Mr. Hartman.

158:16 It is the QRA department saying we're

158:17 under-resourced.

158:18 A. But it doesn't say it's -- it

158:19 doesn't mean it's necessarily right or that they

158:20 are under-resourced as we develop the

158:21 departments in this new organization.

158:22 Q. Sure. It doesn't mean it's true.

158:23 It's just what they're saying?

158:24 A. Yes.

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159:1 Q. Fair enough.  
159:2 The next bullet point says,  
159:3 "People we have are good. Don't have enough  
159:4 bench strength."  
159:5 And you would agree again, that in  
159:6 regulatory you have to have the depth. You have  
159:7 to have the good people up and down the ladder,  
159:8 correct?  
159:9 A. You have to have good people.  
159:10 Q. It says then, "Need to upgrade and  
159:11 deepen talent."  
159:12 You don't disagree with that  
159:13 either, do you?  
159:14 A. There isn't a budget discussion, a  
159:15 department I've run, a place I've been, a thing  
159:16 I've actually tried to execute and get done  
159:17 where "need to upgrade" and "deepen talent"  
159:18 doesn't exist. I agree with it.  
159:19 Q. And then, "Not enough people"  
159:20 again, right? That's what it says?  
159:21 A. It says that, yes.  
159:22 Q. That's what the QRA department is  
159:23 saying during this time frame?  
159:24 A. That's what they said.  
160:1 Q. And then go to processes.  
160:2 "The process" -- and you're aware  
160:3 of this. This is the regulatory department,  
160:4 bullet point 1: "Keeps us out of trouble but  
160:5 not very proactive or innovative."  
160:6 You would agree, would you not,  
160:7 that you need to be proactive in regulatory?  
160:8 A. Prior to my time, the "keep us out  
160:9 of trouble," I agree with. The "not very  
160:10 proactive or interactive," I don't know to agree  
160:11 with you in the matter that we're talking about.  
160:12 Cardinal was a big company. This is referring  
160:13 to broad specter regulatory groups.  
160:14 Q. Let's talk about it.  
160:15 Are you aware of the New York AG  
160:16 action for selling and diverting related to

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161:2 - 161:2	160:17 price fixing? <b>Hartman, Mark 11-15-2018 (00:00:00)</b>	MK01.22
355:9 - 358:22	161:2 A. I'm aware of it. <b>Hartman, Mark 11-15-2018 (00:04:35)</b> 355:9 Q. Good afternoon, Mr. Hartman. My 355:10 name is Steve Pyser. I represent Cardinal 355:11 Health. I have a few questions for you 355:12 following up on the examination from Plaintiffs. 355:13 You spoke a little bit about your 355:14 background, but I wanted to make sure we got the 355:15 full picture. Can you just introduce yourself 355:16 to the jury and tell us about your education. 355:17 A. Okay. I'm Mark Hartman. My 355:18 formal education was at United States Military 355:19 Academy, West Point. I was there from 1975 to 355:20 1979, and I consider greatly part of my 355:21 leadership training also included that I'm an 355:22 airborne ranger and attended those schools and 355:23 earned their -- and earned those credentials. 355:24 Q. After you graduated West Point, I 356:1 assume you served in the Army for a period of 356:2 time? 356:3 A. I did. 356:4 Q. About how long? 356:5 A. Five years. 356:6 Q. And after you left the service, 356:7 what was your job experience before joining 356:8 Cardinal Health? 356:9 A. Quick run was I worked for 356:10 American Hospital Supply, a distributor, for 356:11 about four years. I worked for Pepsi-Cola for 356:12 ten years. I worked for one year for a auto 356:13 parts supplier, about one year, and then that 356:14 led me to Cardinal Health for my next 12-plus 356:15 years. 356:16 Q. Okay. And you may have already 356:17 said, but approximately what year did you join 356:18 Cardinal? 356:19 A. 1998. 356:20 Q. And can you take me through --	MK01.23

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356:21 you've talked a lot today about the job you took  
356:22 in December 2007, but can you take me through  
356:23 the lead-up to some of the other jobs that you  
356:24 held at Cardinal before 2007.

357:1 A. And prior to Cardinal, I had a  
357:2 fair amount of experience as a general manager  
357:3 in the -- in a distribution world at Pepsi-Cola.  
357:4 I came into Cardinal in a very similar kind of  
357:5 job. I had at the time three distributions  
357:6 centers, which we consolidated into one in  
357:7 Aurora, Illinois. I had approximately  
357:8 200 employees, and I had a staff that supported  
357:9 me and a sales team, and we represented a chunk  
357:10 of the Midwest region, and we did approximately  
357:11 \$1.3 billion in revenue.  
357:12 After that role for not quite --  
357:13 well, maybe a little over a year, I was brought  
357:14 to our headquarters as a senior vice president  
357:15 of operations. So in that role, I supported all  
357:16 the field locations and those functions with  
357:17 logistics, policies, procedures, and  
357:18 efficiencies. We were doing a lot of building  
357:19 at that point. I had a team of engineers where  
357:20 we built the facilities. And then, of course,  
357:21 helped them transition into them and so forth in  
357:22 many of the various roles there, in that  
357:23 operations role.

357:24 From there I went to -- I was  
358:1 executive vice president of field sales and  
358:2 operation. I reported to our president. I had  
358:3 the part of the company where we had the -- a  
358:4 general management structure with -- at that  
358:5 point, the 24 distribution centers reporting in  
358:6 through that team to me. 5,000 employees. I  
358:7 think at that point, we were about \$40 billion  
358:8 in sales.

358:9 And then I went into the EVP of --  
358:10 I can't remember the title we had now. It's the  
358:11 transformation. So I talked a little bit about  
358:12 it about earlier today. We had a major

358:13 transformation going on trying to reorganize and  
 358:14 make our back office much more efficient. And I  
 358:15 had various departments and people under me and  
 358:16 scrutiny on these transformations that were  
 358:17 going on in the various departments. And we  
 358:18 would try to work with them, consolidate,  
 358:19 counsel, advise.  
 358:20 And then I was -- I was -- I  
 358:21 went -- stayed in that role principally to this  
 358:22 role.

358:23 - 360:6

**Hartman, Mark 11-15-2018 (00:01:32)**

MK01.30

358:23 Q. So fair to say prior to taking  
 358:24 over the anti-diversion related role that you  
 359:1 had in December 2007, you've been at fairly high  
 359:2 levels of Cardinal Health?  
 359:3 A. Yes.  
 359:4 Q. From your perspective, having  
 359:5 worked in different -- excuse me -- areas of  
 359:6 Cardinal Health, what is Cardinal Health's role  
 359:7 in the healthcare system in the United States?  
 359:8 A. Well, I can't remember our  
 359:9 moniker, but, I mean, principally it's to  
 359:10 deliver medications, you know, through our  
 359:11 supply chain to, you know, the licensed  
 359:12 pharmacies, hospitals, and any of the legal  
 359:13 entities in a safe, secure way, in order to  
 359:14 ensure that those products are available for  
 359:15 patients when they need them.  
 359:16 Q. The portfolio of products that are  
 359:17 being shipped to hospitals and pharmacies and  
 359:18 other medical care facilities, are they broader  
 359:19 than the controlled substances that have been  
 359:20 talked about earlier today?  
 359:21 A. Much broader. There was --  
 359:22 Q. Does Cardinal Health also ship  
 359:23 medical supplies, in addition to  
 359:24 pharmaceuticals?  
 360:1 A. Yes.  
 360:2 Q. So everything from aspirin to  
 360:3 crutches; is that kind of the concept?



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360:4 A. Band-Aids. Whatever is needed in  
360:5 locations is generally something we would have  
360:6 supplied.

360:7 - 361:5

**Hartman, Mark 11-15-2018 (00:01:12)**

MK01.31

360:7 Q. If you could, just give us a  
360:8 little view of kind of what the team was that  
360:9 you were working with in terms of the senior  
360:10 leadership in an anti-diversion or QRA role in  
360:11 December 2007 when you came into the role.  
360:12 A. Michael Moni was where I met him,  
360:13 because he was in role just a bit prior to me  
360:14 stepping into role. Of course, I got to know  
360:15 Michael much, much better.  
360:16 But what I knew going in is that  
360:17 Michael was a degreed pharmacist. He was a  
360:18 degreed lawyer in the regulatory space, as I  
360:19 recall remembering that. And the key part for  
360:20 me was that he had come out of Cardinal from the  
360:21 Medicine Shoppe business, but he had worked  
360:22 prior to that on the Kentucky pharmacy board,  
360:23 and he had put in place the Kentucky program to  
360:24 monitor or for doctors, I believe, to use.  
361:1 So I don't remember exactly what  
361:2 interactions he had on that, but I know he  
361:3 played a key role. But that was important to me  
361:4 because he seemed to have all the credentials as  
361:5 we were working in this anti-diversion space.

361:6 - 361:23

**Hartman, Mark 11-15-2018 (00:00:52)**

MK01.24

361:6 Q. And when you took over, did you  
361:7 have the budget that you needed to staff out the  
361:8 regulatory department and anti-diversion team?  
361:9 A. I -- everything that I needed, I  
361:10 had, and I had that commitment from the CEO.  
361:11 And even as that changed, we continued to have  
361:12 that support.  
361:13 Q. Was there ever a time during your  
361:14 work with QRA and anti-diversion from 2007  
361:15 through 2010 where you asked for additional  
361:16 resources and were told no?  
361:17 A. No.

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361:18 Q. Did you believe at the time when  
 361:19 you were working anti-diversion that the program  
 361:20 had adequate resources?

361:21 A. During my time frame?

361:22 Q. Yes.

361:23 A. Yes.

361:24 - 362:21

**Hartman, Mark 11-15-2018 (00:00:53)**

MK01.32

361:24 Q. All right. On the regulatory side  
 362:1 of your work, was there someone else there in  
 362:2 addition to Michael Moni?

362:3 A. Steve Reardon.

362:4 Q. And what were Mr. Reardon's  
 362:5 general job duties?

362:6 A. I got to know Steve when I -- he  
 362:7 was at Cardinal prior to me, and so, of course,  
 362:8 I worked with him from time to time, you know,  
 362:9 in his capacity in regulatory the whole time.  
 362:10 But prior to Cardinal, my understanding was  
 362:11 Steve was a Boston police officer for several  
 362:12 years. I don't remember if he retired from that  
 362:13 job or not, but I know he worked at it for many,  
 362:14 many years.

362:15 Q. So coming in, did you believe that  
 362:16 both Mr. Moni and Mr. Reardon were qualified for  
 362:17 the positions they held?

362:18 A. I felt very comfortable about it  
 362:19 and I -- it's another aspect of -- a part that I  
 362:20 talked to our CEO about was that I wanted that  
 362:21 team in place.

361:24 - 362:21

**Hartman, Mark 11-15-2018 (00:00:52)**

MK01.25

361:24 Q. All right. On the regulatory side  
 362:1 of your work, was there someone else there in  
 362:2 addition to Michael Moni?

362:3 A. Steve Reardon.

362:4 Q. And what were Mr. Reardon's  
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362:10 But prior to Cardinal, my understanding was  
362:11 Steve was a Boston police officer for several  
362:12 years. I don't remember if he retired from that  
362:13 job or not, but I know he worked at it for many,  
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362:16 both Mr. Moni and Mr. Reardon were qualified for  
362:17 the positions they held?  
362:18 A. I felt very comfortable about it  
362:19 and I -- it's another aspect of -- a part that I  
362:20 talked to our CEO about was that I wanted that  
362:21 team in place.

368:5 - 369:7

**Hartman, Mark 11-15-2018 (00:00:59)**

MK01.26

368:5 Earlier today you were asked some  
368:6 questions, and you don't need to look at the  
368:7 exhibit but just to put it in context.  
368:8 Exhibit 7 discussed a budget battle.  
368:9 Do you recall that conversation?  
368:10 A. Yes. Yes.  
368:11 Q. And there was a discussion in that  
368:12 e-mail about head count.  
368:13 Do you recall that?  
368:14 A. Yes.  
368:15 Q. Okay. I don't think you were ever  
368:16 asked how that issue resolved or if you know.  
368:17 How did that issue resolve, if you  
368:18 know?  
368:19 A. Personal exchange with Michael,  
368:20 and he was going through the budget battle for a  
368:21 head count. He maintained that head count.  
368:22 Q. It's a little bit corporate speak.  
368:23 Can you explain what you mean by "he maintained  
368:24 that head count."  
369:1 A. It -- well, in the budget fight  
369:2 of, you know, do you lose a head count and it  
369:3 goes to somebody else, if you will, he  
369:4 maintained it. Exactly what he had and wanted  
369:5 remained the same, as I understand what the  
369:6 later e-mails that he had sent that, you know,  
369:7 he had won the battle.

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369:8 - 369:17	<b>Hartman, Mark 11-15-2018 (00:00:28)</b> 369:8 Q. You were asked -- also asked about 369:9 the potential of the QRA group being moved into 369:10 a position that it would be part of operations. 369:11 Do you know whether QRA remained 369:12 separate from operations after your time at 369:13 Cardinal? 369:14 A. During my time frame, it certainly 369:15 was, and I believe after I left, it remained 369:16 separate from the operating divisions reporting 369:17 to corporate.	MK01.27
370:22 - 371:4	<b>Hartman, Mark 11-15-2018 (00:00:12)</b> 370:22 Q. At any time while you were at 370:23 Cardinal, are you aware of an instance where the 370:24 sales staff or anyone else blocked the 371:1 anti-diversion team from taking an action 371:2 against a customer that your team wanted to 371:3 take? 371:4 A. No.	MK01.28
371:12 - 371:15	<b>Hartman, Mark 11-15-2018 (00:00:09)</b> 371:12 Q. In your experience at Cardinal 371:13 Health, did you ever see Cardinal Health ship an 371:14 order that you believed would be diverted? 371:15 A. No.	MK01.29

Plaintiffs AffirmativeDesignations = 00:30:49

Defense Completeness Counters = 00:08:10

Defense Counters = 00:03:38

**Total Time = 00:42:37**